



2011-12 Third Interim Financial Report and Preliminary May Revise Update

Board Item #10.2



Overview

Education Code Section 42130 requires report
Provides early warning system
District certifies Positive, Qualified or Negative
Qualified certification submitted
May not meet financial obligations for
current or two subsequent fiscal years
Requires Third Interim Report as of April 30



Assumptions

Assumptions are based on best information available

Third Interim multi-year projections may be different than Adopted Budget

2011-12

Balanced at this time

Mid-year reductions included in budget



Assumptions cont'd

2012-13

Maintain same level of Average Daily Attendance as revised 2011-12

Projected \$370 (\$55 for 2011-12 plus \$315 for 2012-13) per ADA reduction in state revenue



Assumptions cont'd

2012-13

Maintain 2% Reserve for Economic Uncertainties

\$43 million in reductions needed assuming tax initiative doesn't pass

February 2 Board approved reductions of \$28 million

Additional reductions needed of \$15 million



Assumptions cont'd

2013-14

Maintain same level of Average Daily Attendance as 2012-13

Step and Column cost increases

Health and Welfare cost increases

2% Reserve for Economic Uncertainties requirement not met

Estimated \$8 million in reductions required

Board action will be needed



Preliminary May Revise Update

Tax Initiative Passes

- Weighted Student Formula implemented
- Transportation funding becomes flexible
- Deferrals are paid down

Tax Initiative Doesn't Pass

- Weighted Student Formula not implemented
- Transportation funded - flexible?
- No deferrals are paid down
- Estimated reduction of \$398 per ADA

Legislation to reduce school year by three weeks over two year period

No improvement in state budget picture



Status

District is dangerously close to a negative certification

Continuing dialogue with Sacramento County Office of Education

Continuing working relationship with fiscal expert



Updated Management Report

See Attachment



Sacramento City Unified School District

City of Sacramento
Office of the Superintendent



2011